

EXHIBIT I

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UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY
CASE NO. 12-12020 (MG)

IN RE: :
: (PENDING IN THE
RESIDENTIAL CAPITAL, LLC, : SOUTHERN DISTRICT OF
et al, : NEW YORK)
: CHAPTER 11
Debtors :

DEPOSITION UNDER ORAL EXAMINATION OF
FRANK REED
Mount Laurel, New Jersey
THURSDAY, AUGUST 14, 2014

REPORTED BY: HEATHER A. KIRSCH, CCR

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1 clarify some of this, I don't know how relevant
2 it is -- he was supposed to close on the 29th of
3 September and I believe he missed that
4 settlement. Then he communicated with the title
5 company, I'm reading from my own e-mail, that he
6 was going to close, I guess four days later on
7 October 3rd and he didn't do it.

8 "I think he wanted to close by noon today,"
9 my e-mail says and my e-mail is dated or timed
10 at 2:00 in the afternoon.

11 And so he missed I think two closings,
12 September 29th and the one that he asked for to
13 be moved to the 3rd. And then we entered into
14 this agreement.

15 Q The addendum?

16 A The addendum.

17 Q And on the addendum it indicates that on
18 paragraph 3, numbered paragraph 3, a good faith
19 deposit was to be wired to Infinity Title Agency
20 by October 24th, 2008. Did that happen?

21 A It did.

22 Q How much?

23 A I don't know when it did.

24 Q What was the amount of the good faith
25 deposit?

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1 A \$50,000.

2 Q So was that deposited?

3 A I believe it eventually was received.

4 Q When you say eventually what do you mean by
5 that?

6 A I don't know if it came on the 24th of
7 October.

8 Q Okay. But so that deposit was received by
9 you and your wife, right?

10 A It went to -- well, it went to
11 Infinity Title.

12 Q But it eventually went to you and your
13 wife?

14 A Yes.

15 Q And you retained that?

16 A I did.

17 Q Never gave it back?

18 A Correct.

19 Q Okay. All right. But he still didn't
20 settle on November 21st?

21 A No.

22 Q Right?

23 A No, he did not.

24 Q So what did happen on November 21st, 2008,
25 do you remember?

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1 Q And did you sign this agreement?

2 A I did.

3 Q Okay. And what was the nature of this
4 agreement?

5 A It was a lease.

6 Q So he didn't settle on November 21st,
7 right?

8 A Correct.

9 Q That was supposed to have been his extended
10 closing date, right?

11 A That is correct.

12 Q And he did not have cash to close on that
13 day, so he didn't close, is that right?

14 A That's correct.

15 Q Okay. So instead of bringing the cash to
16 closing, he presents you with this agreement and
17 basically says to you hey, I don't have the
18 money right now, I'm going to be getting it,
19 will you agree to lease the property to me while
20 I'm waiting on the money. Is that the way it
21 happened?

22 A That's correct.

23 Q Okay. So you agree to this arrangement
24 whereby Mr. Weaver is going to move into your
25 house and you guys are going to move out, right?

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1 A I agreed to it. My wife did not,
2 which is a matter of contention to this day.

3 Q All right. So he paid you \$400,000 for the
4 option to purchase the property, right?

5 A He did.

6 Q All right. And you actually did receive
7 that money?

8 A I did.

9 Q And it went into your mother's bank
10 account?

11 A That's right.

12 Q Okay. But then your mother gave it to you,
13 so effectively you received it?

14 A The reason that it went into my
15 mother's account, for the record, for whoever
16 looks at this in posterity, I did not trust
17 Mr. Cooper. Mr. Cooper wanted to write a check
18 that night, he wanted to wire the money the
19 following week and we refused all those or I
20 refused those offers. My wife never accepted
21 any of this.

22 And Mr. Cooper -- Mr. Cooper it turns out
23 had a bank account at the same bank my mother
24 had. And the bank was open Saturday morning, he
25 wanted to move in by Monday. He wanted to be in

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1 for Thanksgiving. So the bank would do an
2 internal transfer from Mr. Cooper's account to
3 my mother's account.

4 Q And so to your knowledge, did he, in fact,
5 move into the property?

6 A Yes.

7 Q Okay. And according to this agreement,
8 Reed-14, he had agreed to pay you \$25,000 a
9 month for rent on the first of each month. Did
10 he make that payment for December of 2008?

11 A He did, reluctantly. And he -- shall
12 I tell you the source of the payment?

13 Q Well, I just want to know if you received
14 it?

15 A Yes.

16 Q And it was a good check?

17 A It was not a check.

18 Q Okay. It was cash?

19 A It was wired from the \$50,000 that was
20 deposited at the title company. So the 50,000
21 that was eventually given, when was it September
22 or October -- he didn't give it upon the signing
23 of the contract, but then there was an addendum
24 that demanded it, he then put that money in with
25 the title company.

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1 So roll around December 1st, just days
2 after I move my family out, Mr. Cooper is due
3 the rent, according to the document he drafted
4 and proposed to me. He doesn't pay it. He
5 doesn't answer the calls. He doesn't answer the
6 door.

7 So I don't remember at what point in
8 December, but he finally agrees when I tell him
9 you're not going -- I'm not going to ever
10 release the security deposit, we're going to
11 fight over that. If you don't have the money
12 for the rent, you might as well release it from
13 the security deposit and get good use out of it,
14 which he did.

15 Q So did he pay January 2009?

16 A In the same methodology.

17 Q Okay. Out of the 50,000?

18 A Yes.

19 Q Leaving none of that money on deposit?

20 A Correct.

21 Q Then did he pay February 2009?

22 A No.

23 Q Did he make any payments thereafter?

24 A No.

25 Q Okay. So eventually you had to evict him?

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1 A Correct.

2 Q But you did get from him the 400,000, which
3 you retained?

4 A Correct.

5 Q Okay.

6 A Well, I didn't -- I retained it and
7 then I put it back on the house, by paying off
8 other liens.

9 Q But you never gave it back to him?

10 A Correct.

11 Q You got him successfully evicted from the
12 property?

13 A Yes.

14 Q Okay. Now, when you say you paid off other
15 liens, is that how you paid off the second
16 mortgage?

17 A Part -- I believe part of that it
18 commingled at the time, but yes.

19 Q What else did you use it for?

20 A I thought there was another lien on
21 the property, I'm not sure. I have to
22 investigate that. I used the remainder plus
23 cash on hand. I mean, we wound up living in a
24 hotel and facing more repairs on the property
25 that we were going to than I thought.

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1 * * *

2 (Whereupon, Exhibit Reed-17 was marked
3 for identification.)

4 * * *

5

6 BY MS. HAGER:

7 Q Showing you what was just marked as
8 Reed-17, do you recognize that document?

9 A I don't recall seeing this document.

10 Q This document appears to be the same in
11 form as Reed-17, it's a Proposal to Purchase
12 from Frank and Gina Roccisano concerning Matlack
13 Drive. It was prepared by Naoji Moriuchi and
14 the date is June 12th, 2010 and the offer price
15 is 1.45 million. It's your testimony that you
16 don't remember being shown this by the broker?

17 A Barb, that is correct. I do not
18 remember it. The only document to that
19 statement, the only document that I believe that
20 I ever had in my file or that I found later in
21 my file was this one for 1.3. Did it happen,
22 can other people testify that it happened, I
23 can't remember. I mean, if it did, maybe they
24 would remember better than I, but I cannot
25 honestly tell you yes, I remember this

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1 happening.

2 Q Who is Kevin Aberant?

3 A Kevin Aberant, Kevin Aberant.

4 Aberant, I think he was our mayor.

5 Q Do you remember him as being a lawyer for
6 the Roccisano's?

7 A I do. Now I do. Yes, I do.

8 Q Did you ever have any discussions with him?

9 A I think we did.

10 Q What was the nature of those discussions?

11 A If he was with the Roccisano's, this
12 was about proposed addendums to a contract.

13 Q For what?

14 A To buy the house.

15 Q There was a proposed agreement?

16 A I think there might have been. Now
17 that you mentioned it, there may have been.

18 Q And what was the contract price?

19 A I don't know. I don't know. I don't
20 know.

21 Q And so you were working on addendums to
22 change some of the terms that were in the
23 agreement, right?

24 A Yeah. I don't know if it included the
25 price, but I remember this now. I do remember

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1 something, there was -- yes, I believe that
2 that's correct. But I don't know what -- I
3 can't remember the details. Maybe I'll
4 continue, if you flush it out, show me something
5 or if someone else reminds me of it I can even
6 ask around the realtors to remind me of it.

7 Q But you remember having a deal now with the
8 Roccisano's, right?

9 A A deal, there was no executed
10 contract. I don't believe there was an executed
11 contract.

12 Q Then why were you working out addendums?

13 A I don't know if it was an addendum or
14 terms.

15 Q But you were working out an agreement, to
16 your recollection, with the Roccisano's for the
17 purchase of the property?

18 A Because that's how he was involved.
19 There was an offer and we were going back and
20 forth, but I cannot tell you what stage that
21 was.

22 Q What do you mean by stage?

23 A That we agreed to a price, that we
24 agreed to times, that we agreed to -- I mean,
25 whatever the terms were, I can't tell you.

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1 Q Well, after Reed-17, which is dated June
2 12th, 2010, there was an e-mail exchange June
3 30th, 2010 between you and Mr. Aberant where he
4 was trying to get in touch with you and he said,
5 "Please let me know your response to my prior
6 letter. I'm attaching a copy in case you don't
7 have it in front of you. Please fax or e-mail
8 it back."

9 A Okay.

10 Q And then that same day you said, "Okay.
11 We'll try to accomplish before the weekend."

12 A Okay.

13 Q The next day Kevin Aberant e-mailed
14 Mr. Roccisano and copied Naoji Moriuchi and
15 said, "FYI, I just spoke to Frank Reed. He was
16 in a car full of kids and couldn't talk. I
17 asked him to just take my letter and write okay
18 or no next to each change. He said he would do
19 so, but needed to printout the contract, lock
20 himself in a room for an hour to do that. He
21 did offer two specific comments. He would be
22 okay with refund of deposit if due to job loss
23 or transfer, but he said he would not give a
24 credit towards the purchase price for any rent
25 paid. Please let me know your thoughts."

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1 Does that, the context of that message
2 sound familiar to you at all?

3 A Yes. We -- as I said, now that you're
4 talking about Kevin, I think these people were
5 moving from another state to New Jersey or
6 contemplating staying versus moving, something
7 of that nature. Now -- now it's amazing how
8 this helps. They proposed, they offered, I
9 didn't realize they re-offered and I must have
10 had a copy of a contract with various provisions
11 that we were contemplating.

12 Now, you mentioned rents even and things
13 like that, possibly contemplated even renting
14 the place to them I can't tell you for a fact,
15 but I'm hearing now and it sounds familiar.

16 Q And the response to Mr. Aberant's e-mail
17 from Mr. Roccisano, the potential buyer, is
18 essentially that he's got to discontinue
19 negotiations because he's resuming an old
20 position in Louisville.

21 A Okay. I'm sorry my mind was still
22 thinking in a momentum like way about some of
23 this coming back. Could you please say what you
24 said again?

25 MS. HAGER: Can you read that back?

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1 * * *

2 (Whereupon, the court reporter read
3 back the previous testimony.)

4 * * *

5

6 BY MS. HAGER:

7 Q Does that sound familiar?

8 A I remember it wasn't us that stopped
9 that contract.

10 Q I'm sorry?

11 A I remember although there wasn't an
12 agreement yet met, a meeting of the minds,
13 because I still had probably not yet locked
14 myself in the room to go review all the things
15 that they wanted, whatever those were, I now
16 recollect that the Roccisano's did not move
17 forward.

18 Q But this was -- this was more than just an
19 offer. You were really moving towards getting
20 close to an agreement, right?

21 A It's nothing -- I mean, it's a more
22 detailed offer, but it's an offer none the less.
23 There were a lot of moving parts. I mean, I'm
24 just remembering that now from what you're
25 saying here. We had just evicted someone who